

---

## Innovation Center Portfolio Criteria March 2011

To meet its aims, the Innovation Center seeks to have a portfolio of models that address a range of populations, issues, problems and potential solutions. While it is unlikely that any one model will meet all elements of the Portfolio Criteria, taken as a whole the Center's portfolio will reflect these priorities. The Innovation Center will test models of care that deliver better healthcare, better health at reduced costs through improvement.

**Better healthcare:** improve individual patient experiences of care along the IOM 6 domains of quality: Safety, Effectiveness, Patient-centeredness, Timeliness, Efficiency, and Equity.

**Better health:** encourage better health for entire populations by addressing underlying causes of poor health, such as physical inactivity, behavioral risk factors, lack of preventive care and poor nutrition.

**Reduced costs:** lower the total cost of care resulting in reduced monthly expenditures for each Medicare, Medicaid or CHIP beneficiaries by improving care.

**The Innovation Center seeks models that deliver better healthcare and better health at reduced costs AND:**

- ***Have the greatest potential impact on Medicare, Medicaid, and CHIP beneficiaries, and the ability to improve how care is delivered nationally.*** The Innovation Center will sponsor a mix of models with particular attention to models that simultaneously address beneficiaries across multiple settings and programs. The goal of transforming health care means the Innovation Center will be mindful of how models align with and impact States, private payers and others as they are implemented.
- ***Focus on health conditions that offer the greatest opportunity to improve care and reduce costs.*** Many aspects of our health care system have room for improvement; the Innovation Center will focus on those health conditions which offer the greatest opportunity to improve the lives of patients, improve the quality of care and generate cost reductions.
- ***Address the priority areas in the National Quality Strategy.*** The Innovation Center seeks payment and delivery system change models that will address the six priority areas identified in the National Quality Strategy:
  - Making care safer by reducing harm caused in the delivery of care.
  - Assuring care that engages each person and family as partners.

- Promoting effective communication and coordination of care.
- Promoting the most effective prevention and treatment practices for the leading causes of mortality, starting with cardiovascular disease.
- Working with communities to promote better health by enabling healthy living.
- Making quality care more affordable for individuals, families, employers, and governments by developing and disseminating new health care delivery models.
- ***Meet the needs of the most vulnerable and address disparities in care.*** The Innovation Center will sponsor models that specifically address the health and health care needs of the most vulnerable Americans. In addition, all models will be judged by their potential to reduce disparities of care – reflected in differences in how care is delivered and outcomes based on characteristics such as race, gender, income, education, sexual orientation, or cultural background.
- ***Improve existing Medicare, Medicaid and CHIP payments to promote better outcomes and patient-centeredness.*** The Innovation Center will support payment and delivery system models that foster new ways to provide incentives to meet the three-part aim of better health, better care and reduced costs through improvement. In addition, the Innovation Center will actively seek ways to test and spread changes in existing payment methodologies that have the potential for near-term and immediate impacts on improving care and reducing costs through changes in health care payment.
- ***Are relevant across diverse geographic areas and states.*** The Innovation Center recognizes that all health care is local. There are substantial differences that may impact payment and delivery system models depending on a variety of geographic factors including: the state they are located in, whether the service area is urban, suburban or rural, and others. Recognizing this diversity, the Innovation Center will sponsor models that span geographic areas or that may be specific to particular areas.
- ***Involve major provider types.*** The Innovation Center will test payment and delivery system models that involve all of the major providers of services to Medicare, Medicaid, and CHIP beneficiaries including the full range of clinicians and health care workers and the settings in which care is provided.
- ***Engage broad segments of the delivery system.*** The Innovation Center will give particular consideration to payment and delivery system models that engage broad segments of the health care delivery system simultaneously, including multiple delivery settings, providers, purchasers, consumers and others who together are committed to making positive changes to transform health and health care delivery.
- ***Balance short-term and long-term investments.*** The Innovation Center recognizes that some payment and delivery system models may take many years to demonstrate their success or to be shown ineffective, while other models have the potential to be proven in a relatively short timeframe (e.g., one year). The Innovation Center intends to have a portfolio that have a variety of likely time-periods for which fully developed evidence to either terminate or propose a model for expansion can be proven.

- ***Structured at a scale and scope consistent with the evidence.*** The Innovation Center will test promising models in a manner consistent with the evidence of their effectiveness. For concepts that need further development, the Innovation Center will support work to clarify models and articulate how they can be effectively tested. For those models that show high promise and have a clear path to begin testing – but for which there is limited evidence – the Innovation Center may conduct “proof of concept” tests. These tests will be sufficient to identify implementation issues and potential benefits, but may not provide evidence that would warrant the implementation of the model throughout the Medicare, Medicaid or CHIP program. For models that have significant evidence of their benefits and how they would be implemented, the Innovation Center will consider larger “tests to scale,” which would involve sufficient numbers of participants, across multiple settings, to support an evaluation robust enough to determine whether they warrant national implementation.
- ***Consistent with Innovation Center and CMS capacity.*** The Affordable Care Act provides CMS with dedicated resources and authority to support innovation, but these resources and the staff to support testing and assessment of models are finite. The Innovation Center will continually assess its capacity and that of CMS to effectively support, monitor, evaluate and spread lessons learned from models it considers.